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PRODUCTIONS CO. LTD.

UNITED STATES DISTRICT COURT

CENTRAL DISTRICT OF CALIFORNIA

WESTERN DIVISION

UM CORPORATION, a Japanese
corporation,

Plaintiff,

vs.

TSUBURAYA PRODUCTIONS CO.
LTD., a Japanese corporation,

Defendant.

CASE NO. 2:15-cv-03764-AB-AJW

**TSUBURAYA PRODUCTIONS CO.
LTD.'S SEPARATE STATEMENT
OF UNCONTROVERTED FACTS
AND CONCLUSIONS OF LAW**

Date: July 24, 2017

Time: 10:00 a.m.

Location: Courtroom 7B

Judge: Hon. André Birotte, Jr.

Trial Date: November 7, 2017

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1 TSUBURAYA PRODUCTIONS CO.
2 LTD., a Japanese corporation,

3
4 Counterclaimant,

5 vs.

6 UM CORPORATION, a Japanese
7 corporation; ULTRAMAN USA, INC.,
8 a California corporation; SOMPOTE
9 SAENGDUENCHAI, a Thai individual;
10 GOLDEN MEDIA GROUP, INC., a
11 California corporation; TIGA
12 ENTERTAINMENT COMPANY,
13 LTD., a Hong Kong corporation; and
14 DOES 1-10,

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16 Counterdefendants.
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Defendant and Counterclaimant Tsuburaya Productions Co. Ltd. (“TPC”) respectfully submits this statement of uncontroverted facts and conclusions of law in support of its motion for summary judgment pursuant to Local Rule 56-1.

STATEMENT OF FACTS

FACTS	SUPPORTING EVIDENCE
1. Takashi Ejiri, UMC’s designated expert witness on Japanese law, testified that UMC is “advocating for an interpretation of the meaning of the 1976 [Document] that is different from the conclusions of all the courts that [he is aware] have analyzed that issue.”	Declaration of Daniel C. Posner (“Posner Decl.”), Ex. T (Transcript of Deposition of Takashi Ejiri (“Ejiri Tr.”), at 41:8-12).
2. In the 1960s, Japanese entertainment company TPC, led by film director Eiji Tsuburaya, created the superhero character “Ultraman.”	Declaration of Kei Minamitani (“Minamitani Decl.”) ¶ 3.
3. By 1973, TPC had created “Ultra Q,” “Ultraman,” “Ultra Seven,” “The Return of Ultraman,” “Ultraman Ace,” and “Ultraman Taro” (the “original” Ultraman works).	Minamitani Decl. ¶ 3.

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FACTS	SUPPORTING EVIDENCE
4. Since 1973, TPC has created dozens of additional “Ultraman” audiovisual works, which have been released and marketed around the world (the “new” Ultraman works).	• Minamitani Decl. ¶ 4.
5. TPC’s Ultraman works feature various Ultraman “hero” characters and thousands of monster characters that TPC has created.	• Minamitani Decl. ¶ 5.
6. UMC cannot identify any living person other than Sompote who claims to have witnessed the creation of the alleged 1976 Document.	• Posner Decl., Ex. Q at 14-15 (UMC Resp. to TPC RFA No. 12).
7. Takashi Ejiri testified that he agrees that “[t]he [descriptions of the] rulings of the Japanese courts that Judge Iimura described in his [expert] report are correct.”	• Posner Decl., Ex. T (Ejiri Tr. at 35:25- 36:2).
8. Mr. Ejiri and UMC have admitted that the rulings of the Japanese	• Posner Decl., Ex. T (Ejiri Tr. at 38:2-14 (“I’d like to clarify that the final

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FACTS	SUPPORTING EVIDENCE
courts regarding the parties’ respective rights in Ultraman are embodied in final judgments.	judgment made by the court, those are final, and there is nothing you can—you can’t do anything about that. They can’t be changed.”), 80:24-81:4 (“... [O]ne way or another I believe [the judgment] is finalized.”)); • Posner Decl., Ex. W (Transcript of Deposition of Perasit Saengdeunchai (“Perasit Tr.”), at 394:5-395:3 (admitting that UMC considers the Japanese judgments binding); • Posner Decl., Ex. P (Transcript of Deposition of Moriaki Uematsu (“Uematsu Tr.”), at 27:14-20.
9. UMC was formed as a Japanese corporation so that it would be “protected” by the judgment from the first Japanese lawsuit between Sompote and TPC.	• Posner Decl., Ex. W (Perasit Tr. at 80:6-9).
10. In a February 28, 2003 decision in the parties’ first Japanese lawsuit, the Tokyo District Court rejected Sompote’s argument that the	• RJN, Ex. B at 32-33 (TP00050003-04) (“Defendant alleges that, when the Contract Document was executed, Plaintiff granted

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FACTS	SUPPORTING EVIDENCE
alleged 1976 Document gave him “the copyright and exclusive exploitation rights as to future Copyrighted Works in the Ultraman series.”	Defendant not only the copyright to the Copyrighted Works, but also the copyright and exclusive exploitation rights as to future Copyrighted Works in the Ultraman series. In Defendant’s affidavit (D#10) there is a statement that the meaning of Article 3.3 included production rights for new Ultraman Copyrighted Works, and Defendant testified as such before this Court. However, these written and oral statements cannot be believed because they contradict the fact that the Contract Document identified the movies in Article 1 and provided for the “Reproduction right” in Article 3.3. Since there is no other sufficient evidence to support Defendant’s allegations on this point, Defendant’s allegations are not accepted.”); • Iimura Decl. ¶ 9; • Posner Decl., Ex. T (Ejiri Tr. at 38:25-39:7 (agreeing that “in general

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FACTS	SUPPORTING EVIDENCE
	the courts in Japan have construed the 1976 Document as being a license agreement that authorized Mr. Sompote to distribute certain specified Ultraman works outside of Japan but did not also authorize him to create new or derivative works based on those original works or the characters in them”)).
11. In the parties’ second Japanese lawsuit, Sompote raised a claim against TPC for breach of contract and unjust enrichment, asserting that TPC breached the alleged 1976 Document by entering into a number of agreements to license both new and original Ultraman works outside of Japan.	• RJN, Ex. D at 2 (TP00050009); • Iimura Decl. ¶¶ 12, 22.
12. In a September 30, 2010 decision in the parties’ second Japanese lawsuit, the Tokyo District Court ruled that Sompote had no rights to prepare or distribute derivative works or adaptations based on the	• RJN, Ex. D at 44-45 (TP00050051-52) (“Furthermore, as adaptation rights for the Copyrights Works were not included in the Exclusive Exploitation Rights, it goes without saying that the withdrawal plaintiff

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FACTS	SUPPORTING EVIDENCE
original Ultraman works, or to prevent TPC from doing so.	having the Exclusive Exploitation Right for the Copyrighted Works does not prevent the defendant from creating derivative works of the Copyrighted Works or exploiting derivative works it creates. Therefore, the Intervener's claim is without grounds."); • Iimura Decl. ¶ 11; • Posner Decl., Ex. T (Ejiri Tr. at 38:25-39:7).
13. In a September 30, 2010 decision in the parties' second Japanese lawsuit, the Tokyo District Court rejected Sompote's claim as it related to TPC's license agreements for new Ultraman works, concluding that Sompote had no rights in any such works.	• RJN, Ex. D at 48 (TP00050055); • Iimura Decl. ¶ 12.
14. In a September 30, 2010 decision in the parties' second Japanese lawsuit, the Tokyo District Court accepted Sompote's claim as it related to a license agreement	• RJN, Ex. D at 46 (TP00050053).

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FACTS	SUPPORTING EVIDENCE
between TPC and Bandai Corp., a Japanese toy company, to the extent it authorized Bandai to create merchandise based on the original Ultraman works.	
15. In a July 27, 2011 decision in the parties' second Japanese lawsuit, the Intellectual Property High Court affirmed the Tokyo District Court's ruling that Sompote had no rights to create derivative works and adaptations based on the original Ultraman works or the characters in them, or to prohibit TPC from doing so.	• RJN, Ex. F at TP00050119 ("Additionally, Article 3.3.4 of the Contract mentions copyright; if the term "copyright" includes the adaptation rights which are the divisible rights of copyright, this does not match what is stated in Article 3.3 as "reproduction right." Therefore, it is not interpreted that the term 'copyright' includes the adaptation rights that are the divisible rights of "copyright." Consequently, it cannot be said that the Defendant has an obligation not to license the exploitation of the New Ultraman Characters to a third party based on the Contract."); • Iimura Decl. ¶ 13.
16. In a July 27, 2011 decision in the	• RJN, Ex. F at TP00050119;

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FACTS	SUPPORTING EVIDENCE
parties’ second Japanese lawsuit, the Intellectual Property High Court affirmed the lower court’s rejection of Sompote’s breach of contract claim to the extent it sought recovery for TPC’s licensing and distribution of new Ultraman works.	• Iimura Decl. ¶ 14.
17. During the parties’ second Japanese lawsuit, UMC intervened in place of Sompote.	• RJN, Ex. F at TP00050102; • Iimura Decl. ¶ 11.
18. In the July 27, 2011 decision in the second Japanese lawsuit, the Intellectual Property High Court ruled that UMC could not claim any damages or unjust enrichment, even as to TPC’s licensing of original Ultraman works, in light of the waiver of its rights and claims under the Non-Contravention Agreement by Sompote.	• RJN, Ex. F at TP0005124 (“[I]t is interpreted that the Withdrawal Plaintiff cannot obtain any licensing fee by signing another licensing agreement separately from the [Non-Contravention Agreement], relative to all of the rights stipulated in the [1976 Document] after same agreement has been signed; and it is also interpreted that, even if the Withdrawal Plaintiff has lost opportunities to obtain licensing fees because the Assisting Intervener has

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FACTS	SUPPORTING EVIDENCE
	exploited the rights stipulated in the [1976 Document] without obtaining permission from the Withdrawal Plaintiff prior to signing of the [Non-Contravention Agreement], the [Non-Contravention Agreement] has been signed with the intent that all damages and losses are to be adjusted to the equivalent to the licensing fee in the [Non-Contravention Agreement]. Furthermore, the 100 million yen which was received by the Withdrawal Plaintiff based on the [Non-Contravention Agreement] is compensation for the Withdrawal Plaintiff not manufacturing, exploiting or marketing the products based on the rights stipulated in the [1976 Document] during the effective term of same agreement; and is compensation for his not conducting any act of licensing, transferring, pledging of the same rights in any country or region; in the

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FACTS	SUPPORTING EVIDENCE
	event that any damage or loss is incurred before the agreement is signed in regard to the Withdrawal Plaintiff's rights stipulated in the [1976 Document] due to acts conducted by the Assisting Intervener. It is therefore reasonable to assume that the original intent is to include compensation for the above."); • Iimura Decl. ¶ 23 and Ex. B (Non-Contravention Agreement); • Posner Decl. ¶ 25.
19.Sompote was paid 100 million yen by Bandai pursuant to the "Non-Contravention Agreement."	• Posner Decl., Ex. R at 87-88 (UMC Resp. RFA No. 96 ("Admitted that Bandai Company Limited has satisfied its payment obligations under the Bandai Non-Contravention Agreement, . . .")); • Iimura Decl. ¶ 20 and Ex. B; • Posner Decl. ¶ 25.
20.In a July 27, 2011 decision in the second Japanese lawsuit, the Intellectual Property High Court	• RJN, Ex. F at TP00050123; • Iimura Decl. ¶ 20 and Ex. B; • Posner Decl. ¶ 25.

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FACTS	SUPPORTING EVIDENCE
ruled that Sompote had, in the “Non-Contravention Agreement,” agreed to release his claims relating to his rights under the alleged 1976 Document as against the “Bandai Group,” which included Bandai and its “affiliates,” and further “promised to Bandai Group not to exercise any rights expected to arise currently or in the future with regard to all of the rights stated in the” alleged 1976 Document, with the exception of limited rights to distribute and license works (other than toys) in Thailand, unless Bandai consented to him doing so.	
21. The Japan Supreme Court rejected UMC’s appeal in the second Japanese lawsuit and affirmed the Intellectual Property High Court’s judgment in full.	• Dkt. 77-6 (UMC RJN in Support of Mot. Summ. J., Ex. F at 3); • Iimura Decl. ¶¶ 14, 25.
22. On September 30, 2005, Sompote sued TPC and others in China for	• Posner Decl., Ex. BB at 8 (UMC0000230).

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FACTS	SUPPORTING EVIDENCE
copyright infringement.	
23.The Guangdong Province Higher People’s Court of China held that Sompote had been given the “exclusive right to use” the original Ultraman works outside of Japan, but had not received ownership of the copyright in those works.	• Posner Decl., Ex. BB at 27-28 (UMC0000249-50).
24.In April 2015, Sompote entered into a license agreement with U.S. company Ultraman USA for the creation of merchandise based on the Ultraman characters.	• Posner Decl., Ex. E; • Posner Decl., Ex. X (Transcript of Deposition of Prayut Theanthong at 42:4-45:25).
25.Since May 19, 2010, TPC has not distributed or displayed any “original” Ultraman works (<i>i.e.</i> , those identified in the alleged 1976 Document) outside of Japan.	• Minamitani Decl. ¶ 10.
26.Since May 19, 2010, TPC has not earned any revenue from any of the original Ultraman works outside of Japan.	• Minamitani Decl. ¶ 10.

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FACTS	SUPPORTING EVIDENCE
27. Veranda Entertainment is a company that “handle[s]” Golden Media Group’s “YouTube business” pursuant to an arrangement between those companies.	• Posner Decl., Ex. U (Transcript of Deposition of Roy McAree (“McAree Tr.”) at 70:4-8, 100:20-101:4); • Dkt. 1, Compl. ¶ 3.
28. Golden Media Group (“GMG”) has distributed Ultraman works pursuant to one or more licenses from TIGA Entertainment (Hong Kong) Co., Ltd. (“TIGA”).	• Posner Decl. Exs. L, M, & N; • <i>Id.</i> Ex. U (McAree Tr. at 34:12-24); • Posner Decl., Ex. V (Transcript of Deposition of Sittichai Rujipasakul (“Rujipasakul Tr.”) 224:17-19); • Dkt. 1, Compl. ¶ 3.
29. TIGA is a licensee of UMC.	• Posner Decl., Ex. V (Rujipasakul Tr. at 220:25-221:6); • Dkt. 1, Compl. ¶ 3.
30. Upon being notified by YouTube of an apparent overlap between Ultraman content posted on YouTube by Veranda and TPC, Veranda’s principal, Randall Green, contacted TPC, stating: “Please contact me . . . if you believe this is in error and provide	• Posner Decl., Ex. H.

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FACTS	SUPPORTING EVIDENCE
background on the chain of title.”	
31. After Veranda notified TPC about the apparent overlap in YouTube content, TPC and Veranda had email discussions in which TPC explained its position regarding its rights in Ultraman, and Randall Green from Veranda stated: “Veranda Entertainment, LLC and Golden Media Group Inc. does not plan on getting involved in a copyright dispute between Tsuburaya Productions and UMC and as per your request will promptly release the claims on Youtube based on the information you have provided in your email.”	• Posner Decl., Ex. J at TP00044623; • Minamitani Decl. ¶ 13 .

CONCLUSIONS OF LAW

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2 1. A motion for summary judgment must be granted when “the pleadings,
3 the discovery and disclosure materials on file, and any affidavits show that there is
4 no genuine issue as to any material fact and that the movant is entitled to judgment
5 as a matter of law.” Fed. R. Civ. P. 56(c). Where the nonmoving party will have
6 the burden of proof at trial, the movant can prevail merely by pointing out that there
7 is an absence of evidence to support the nonmoving party’s case. *See Celotex Corp.*
8 *v. Catrett*, 477 U.S. 317, 323 (1986). The nonmoving party then “must set forth
9 specific facts showing that there is a genuine issue for trial.” *Anderson v. Liberty*
10 *Lobby, Inc.*, 477 U.S. 242, 248 (1986).

11 2. “As a general rule, comity may be granted where ‘it is shown that the
12 foreign court is a court of competent jurisdiction, and that the laws and public policy
13 of the forum state and the rights of its residents will not be violated.’” *International*
14 *Nutrition Co. v. Horphag Research Ltd.*, 257 F.3d 1324, 1329 (Fed. Cir. 2001)
15 (quoting *Cunard S.S. Co. v. Salen Reefer Serv. AB*, 773 F.2d 452, 457 (2d Cir.
16 1985)).

17 3. “The doctrine of issue preclusion forecloses relitigation of those issues
18 of fact or law that were actually litigated and necessarily decided by a valid and
19 final judgment in a prior action between the parties.” *In re Duncan*, 713 F.2d 538,
20 541 (9th Cir. 1983).

21 4. Issue preclusion applies when: “(1) the issue necessarily decided at the
22 previous proceeding is identical to the one which is sought to be relitigated; (2) the
23 first proceeding ended with a final judgment on the merits; and (3) the party against
24 whom [issue preclusion] is asserted was a party or in privity with a party at the first
25 proceeding.” *Paulo v. Holder*, 669 F.3d 911, 917 (9th Cir. 2011).

26 5. Federal courts interpret copyright license agreements according to
27 applicable state law, except to the extent state law conflicts with federal copyright
28 law or policy. *See S.O.S., Inc. v. Payday, Inc.*, 886 F.2d 1081, 1088 (9th Cir. 1989).

6. Federal courts generally resolve conflict-of-law issues concerning copyright ownership and the “nature of a copyright interest” by looking to the laws of the country with the “most significant relationship” to the copyrighted works. *Itar-Tass Russian News Agency v. Russian Kurier, Inc.*, 153 F.3d 82, 84, 91 (2d Cir. 1998) (applying Russian law); *Creazioni Artistiche Musicali, S.r.l., v. Carlin America, Inc.*, 2016 WL 7507757, *5-9 (S.D.N.Y. Dec. 30, 2016) (applying Italian law to conclude that a contract executed in Italy involving Italian musical works did not transfer “an exclusive right to create and exploit derivative works”).

7. The interpretation of the alleged 1976 Document is governed by Japanese law. (*See* Posner Decl., Ex. T (Ejiri Tr. at 37:5-13, 141:10-17).)

8. In Japan, courts construe the plain language of a contract to determine its meaning. (Iimura Decl., ¶ 6; Posner Decl., Ex. T (Ejiri Tr. at 62:17-63:22, 85:5-9).)

9. The alleged 1976 Document, assuming its authenticity and validity, did not grant Sompote the right to create derivative works or adaptations based on the original Ultraman works or the characters in them, or to prohibit TPC from doing so. (Posner Decl., Ex. A (alleged 1976 Document), Ex. T (Ejiri Tr. at 38:25-39:7); RJN, Ex. B at 32-33 (TP00050003-04), Ex. D at 44-45 (TP00050051-52), Ex. F at TP00050119; Iimura Decl. ¶¶ 4-15.)

10. In the Non-Contravention Agreement, Sompote agreed to release his claims relating to his rights under the alleged 1976 Document as against the “Bandai Group,” which included Bandai and its “affiliates,” and further “promised to Bandai Group not to exercise any rights expected to arise currently or in the future with regard to all of the rights stated in the” alleged 1976 Document, with the exception of limited rights to distribute and license works (other than toys) in Thailand, unless Bandai consented to him doing so. (RJN, Ex. F at TP00050123-24; Iimura Decl. ¶¶ 16-25 and Ex. B.)

1 11. A copyright infringement claim has two elements: (1) ownership of a
2 valid copyright and (2) copying of constituent elements of the work that are original.
3 *Feist Publications, Inc. v. Rural Telephone Service Co.*, 499 U.S. 340, 361 (1991).

4 12. The Copyright Act has no extraterritorial application. *Subafilms, Ltd.*
5 *v. MGM-Pathe Commc'ns Co.*, 24 F.3d 1088, 1095 (9th Cir. 1994).

6 13. UMC's copyright infringement claim is subject to a three-year statute
7 of limitations. 17 U.S.C. §507(b).

8 14. The elements of res judicata are: "(1) an identity of claims, (2) a final
9 judgment on the merits, and (3) privity between parties." *Tahoe-Sierra Pres.*
10 *Council, Inc. v. Tahoe Reg'l Planning Agency*, 322 F.3d 1064, 1077 (9th Cir. 2003)
11 (quotation marks and citation omitted).

12 15. A claim is preempted by the Copyright Act if (i) the "subject matter" of
13 the state law claim falls within the subject matter of copyright law, and (ii) the rights
14 asserted under state law are equivalent to the rights provided under copyright law.
15 *Maloney v. T3Media, Inc.*, 853 F.3d 1004, 1009, at *4 (9th Cir. Apr. 5, 2017).

16 16. "To survive preemption, the state cause of action must protect rights
17 which are qualitatively different from the copyright rights. The state claim must
18 have an extra element which changes the nature of the action." *Maloney*, 853 F.3d
19 at 1019.

20 17. Films and television shows (like the Ultraman works) fall within the
21 subject matter of copyright, which includes "original works of authorship fixed in
22 any tangible medium of expression . . . from which they can be perceived,
23 reproduced, or otherwise communicated, either directly or with the aid of a machine
24 or device." 17 U.S.C. § 102(a).

25 18. Under California law, "[t]o prevail on a cause of action for intentional
26 interference with contractual relations, a plaintiff must plead and prove (1) the
27 existence of a valid contract between the plaintiff and a third party; (2) the
28 defendant's knowledge of that contract; (3) the defendant's intentional acts designed

1 to induce a breach or disruption of the contractual relationship; (4) actual breach or
2 disruption of the contractual relationship; and (5) resulting damage.” *Reeves v.*
3 *Hanlon*, 33 Cal. 4th 1140, 1148 (2004).

4 19. “The existence of a valid contract between plaintiff and a third party is
5 an essential element of a claim of tortious interference with contractual relations.”
6 *Knott v. McDonald’s Corp.*, 147 F.3d 1065, 1068 (9th Cir. 1998).

7 20. “In asserting a claim based upon a contract, this generally requires the
8 party to be a signatory to the contract, or to be an intended third party beneficiary.”
9 *Berclain Am. Latina v. Baan Co.*, 74 Cal. App. 4th 401, 405 (1999).

10 21. “For a third party to qualify as a beneficiary under a contract, the
11 contracting parties must have intended to benefit that third party, and their intent
12 must appear from the terms of the contract.” *See Ascherman v. General Reins.*
13 *Corp.*, 183 Cal. App. 3d 307, 311 (1986).

14 22. “Generally, tortious interference claims (with contract or prospective
15 economic advantage) are held to be preempted because the rights asserted in such
16 claims are not qualitatively different from the rights protected by copyright.”
17 *Stromback v. New Line Cinema*, 384 F.3d 283, 306 (6th Cir. 2004); *see Media.net*
18 *Advert. FZ-LLC v. NetSeer, Inc.*, 156 F. Supp. 3d 1052, 1072 (N.D. Cal. 2016)
19 (applying preemption where “core of Plaintiff’s [interference] claim is based on
20 copying its registered HTML code in violation of Plaintiff’s copyright”).
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23 DATED: June 5, 2017

QUINN EMANUEL URQUHART &
SULLIVAN, LLP

25 By /s/ Daniel C. Posner

26 Daniel C. Posner
27 Attorneys for TSUBURAYA
28 PRODUCTIONS CO. LTD.